



**MEMORANDUM  
BOARD OF COUNTY COMMISSIONERS  
OFFICE OF LEGISLATIVE ANALYSIS**

**TO:** Honorable Jose "Pepe" Diaz  
Commissioner District 12

**DATE:** June 29, 2004

**FROM:** Amy Gonzalez-Hernandez, Esq.  
Chief Legislative Analyst

**SUBJECT:** Information request

Currently, the City of Doral's mitigation payment of \$7.369 million does not completely cover the net revenue loss to UMSA which is estimated to be at least \$10.6 million annually (\$24.5 million revenue - 13.9 million expenses). Mitigation is established by Ordinance which may be amended by the Board of County Commissioners.

Miami-Dade County Ordinance 02-26 requires that the incorporation of a new municipality be **revenue neutral** to the remainder of the unincorporated area. The Ordinance allows the Board of County Commissioners to determine the amount of mitigation to be paid in the event of a negative fiscal impact to the UMSA Budget.

Mitigation payments when received by the County are deposited into the Municipal Service Trust Fund and included in the annual UMSA Budget. To date the Municipal Service Trust Fund has **only** been used to support the Miami-Dade Police Department in an effort to maintain the same level of service to UMSA after incorporation. However, Ordinance 02-26 does not restrict the use of the Municipal Service Trust Fund (Mitigation payments) for Police services.

Mitigation payments included in the Fiscal Year 03-04 Budget Ordinance 03-192 are:

Town of Miami Lakes Mitigation Payment - \$1.561 million and,  
Village of Palmetto Bay Mitigation Payment - \$1.578 million.

The City of Doral was not included in the Ordinance and will be added through a supplemental budget adjustment for approximately \$7.369 million.

Since the incorporation of the Town of Miami Lakes, incorporations have included the "Most Favored Nation Status" language that would reduce mitigation if a subsequent incorporation's mitigation was set below its mitigation rate. Therefore any change in mitigation policy may trigger the most favored nation clause.

Mitigations impact to UMSA is approximately \$10.446 million which is the equivalent of .207 mills. If mitigation payments were not available, the UMSA budget would either have to increase revenues or decrease expenses in an amount of approximately \$10.446 million.

This report was prepared by Robert Villar and Tim Gomez which are available should you have any further questions.